

AMENDED IN ASSEMBLY APRIL 2, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2224

Introduced by Assembly Member Nation

February 20, 2002

~~An act relating to transportation.~~ *An act to amend Section 53090 of the Government Code, to amend Section 20216 of the Public Contract Code, to add Article 21.5 (commencing with Section 20355) to the Public Contract Code, and to add Part 16 (commencing with Section 105000) to Division 10 of the Public Utilities Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2224, as amended, Nation. ~~Sonoma and Marin Counties transit district~~ *Sonoma-Marin Area Rail Transit District.*

Existing law establishes various local entities to carry out transportation functions within their respective areas of jurisdiction.

~~This bill would state the intent of the Legislature to create a new rail transit district in the Counties of Sonoma and Marin.~~

This bill would create the Sonoma-Marin Area Rail Transit District within the Counties of Sonoma and Marin. The bill would authorize the 12-member board of directors to govern the district. The bill would authorize the district to own, operate, manage, and maintain a passenger rail system within the territory of the district. The bill would authorize the district to contract for goods and services, to employ labor, to grant, purchase, lease, condemn for use, or otherwise use real or personal property for transit purposes, to impose voter-approved taxes, to invest revenues, to issue bonds and execute equipment trust

certificates, and to create improvement and special benefit districts. The bill would also authorize the district to annex territory, to consolidate with other districts, and to dissolve.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to create a~~
2 ~~Sonoma-Marin Area Rail Transit District. The purpose of the new~~
3 ~~transit district will be to own and operate a passenger rail system~~
4 ~~within the Counties of Marin and Sonoma.~~

5 *SECTION 1. Section 53090 of the Government Code is*
6 *amended to read:*

7 53090. As used in this article:

8 (a) “Local agency” means an agency of the state for the local
9 performance of governmental or proprietary function within
10 limited boundaries. “Local agency” does not include the state, a
11 city, a county, a rapid transit district, *or a rail transit district* whose
12 board of directors is appointed by public bodies or officers or
13 elected from election districts within the area comprising the
14 district, or a district organized pursuant to Part 3 (commencing
15 with Section 27000) of Division 16 of the Streets and Highways
16 Code.

17 (b) “Building ordinances” means ordinances of a county or
18 city regulating building and construction and removal of
19 buildings, including ordinances relating to the matters set forth in
20 Section 38660 and similar matters, and including ordinances
21 relating to building permits and building inspection.

22 *SEC. 2. Section 20216 of the Public Contract Code is*
23 *amended to read:*

24 20216. (a) Notwithstanding any other provision of law, any
25 contract by the San Francisco Bay Area Rapid Transit District, the
26 Southern California Rapid Transit District, the Golden Gate
27 Bridge, Highway and Transportation District, *the Sonoma-Marin*
28 *Area Rail Transit District*, the San Diego Metropolitan Transit
29 Development Board, the North San Diego County Transit
30 Development Board, a county transportation commission that is
31 subject to the competitive negotiation provisions of Section
32 20229.1, 20231.5, or 20916.3 of this code, or Section 120224.4,

1 125228, or 130238 of the Public Utilities Code, a transit district,
2 city, county, city and county, or transportation agency, that is
3 subject to the competitive negotiation provisions of Section
4 20217, and any other transportation agency that is authorized to
5 use comparable competitive negotiation provisions after July 1,
6 1992, shall comply with the requirements of this section.

7 (b) Other than proprietary information, the content of any
8 request for proposal, any proposal received, and any other
9 communications between a transportation agency and a potential
10 bidder on a contract that is subject to subdivision (a) shall be made
11 available to the public no later than the same time that a
12 recommendation for awarding a contract is made to the governing
13 board or persons responsible for approving the award of a contract
14 to a bidder, except that the price proposed in any bidder's initial
15 proposal shall be available upon the opening of the bid by the
16 agency requesting the proposal.

17 (c) No person may participate in the evaluation of any proposal
18 for the award of a contract that is subject to subdivision (a) if any
19 of the following conditions apply:

20 (1) The person has a financial interest in the outcome of the
21 evaluation or the contract.

22 (2) The person has received a gift of over two hundred fifty
23 dollars (\$250) during the previous 12 months from a bidder
24 directly, or indirectly through an intermediary, if it is known to the
25 person that the gift was in whole or in part funded by the bidder.

26 (d) The agency board or any person responsible for awarding
27 a contract under this article shall not have any ex parte
28 communication with a bidder or any representative of the bidder
29 except in writing and if the communication is made public.

30 (e) A contract may not be awarded until 15 days after the staff
31 recommendation has been made available to the public.

32 (f) An agency using the competitive negotiation process shall
33 maintain in writing, and make available upon request, a complete
34 description of the process and the policies and procedures used by
35 the agency in doing so, including all standards, criteria, public
36 protest procedures, and method of contract award. The agency
37 shall also keep a complete record of its actions on each
38 procurement.

39 (g) For purposes of this section and Sections 20217, 20229.1,
40 20231.5, and 20916.3 of this code and Sections 120224.4, ~~125228,~~

1 and 130238 of the Public Utilities Code, “competitive
2 negotiation” means a procurement process used by an agency in
3 lieu of a competitive sealed bid process when conditions are not
4 appropriate for the use of sealed bids, and that permits the
5 consideration of price, technical experience, past performance,
6 management, or other factors in selecting the most cost-effective
7 proposal for the manufacture and delivery of specified goods,
8 transit vehicles, or equipment. The process includes negotiations
9 with manufacturers or providers after the receipt of initial
10 proposals during which performance or technical standards and
11 other criteria may be revised in order to secure proposals most
12 advantageous to the purchasing agency or to cure any deficiencies
13 contained in the original proposals.

14 *SEC. 3. Article 21.5 (commencing with Section 20355) is*
15 *added to Chapter 1 of Part 3 of Division 2 of the Public Contract*
16 *Code, to read:*

17
18 *Article 21.5. Sonoma-Marin Area Rail Transit District*
19

20 *20355. The provisions of this article shall apply to contracts*
21 *by the Sonoma-Marin Area Rail Transit District, as provided for*
22 *in Part 16 (commencing with Section 105000) of Division 10 of the*
23 *Public Utilities Code.*

24 *20355.1. The purchase of all supplies, equipment, and*
25 *materials when the expenditure required exceeds forty thousand*
26 *dollars (\$40,000), and the construction of facilities and works*
27 *when the expenditure required exceeds ten thousand dollars*
28 *(\$10,000), shall be by contract let to the lowest responsible bidder.*
29 *Notice requesting bids shall be published at least once in a*
30 *newspaper of general circulation. This publication shall be made*
31 *at least 10 days before the bids are received. The district may reject*
32 *any and all bids and readvertise in its discretion.*

33 *20355.2. If after rejecting bids the district determines that the*
34 *supplies, equipment, and materials may be purchased at a lower*
35 *price in the open market, the district may proceed to purchase the*
36 *supplies, equipment, and materials in the open market without*
37 *further observance of the provisions requiring contracts, bids, or*
38 *notice.*

39 *20355.3. In case of an emergency, the board may, by*
40 *resolution passed by a two-thirds vote of all its members, declare*

1 *and determine that public interest and necessity demand the*
2 *immediate expenditure of public money to safeguard life, health,*
3 *or property, and thereupon proceed to expend or enter into a*
4 *contract involving the expenditure of any sum needed in the*
5 *emergency without observance of the provisions requiring*
6 *contracts, bids, or notice. If notice for bids to let contracts will not*
7 *be given, the board shall also comply with Chapter 2.5*
8 *(commencing with Section 22050).*

9 20355.4. (a) *Upon determining that immediate remedial*
10 *measures are necessary to avert or alleviate damage to property*
11 *of the district or to repair or restore damaged or destroyed property*
12 *of the district in order to insure that the facilities of the district are*
13 *available to serve the transportation needs of the general public,*
14 *and upon determining that available remedial measures, including*
15 *procurement in compliance with Sections 20355, 20355.1,*
16 *20355.2, and 20355.3 are inadequate, the general manager may*
17 *authorize the expenditure of money previously appropriated*
18 *specifically by the board for the direct purchases of goods and*
19 *services, without observance of the provisions of those sections.*

20 (b) *The general manager shall, after any such expenditure,*
21 *submit to the board a full report explaining the necessity for the*
22 *action.*

23 20355.5. *All bids for construction work shall be presented*
24 *under sealed cover and shall be accompanied by one of the*
25 *following forms of bidder's security:*

26 (a) *Cash.*

27 (b) *A cashier's check made payable to the district.*

28 (c) *A certified check made payable to the district.*

29 (d) *A bidder's bond executed by an admitted surety insurer,*
30 *made payable to the district.*

31 *Upon an award to the lowest bidder, the security of an*
32 *unsuccessful bidder shall be returned in a reasonable period of*
33 *time, but in no event shall that security be held by the district*
34 *beyond 60 days from the time the award is made.*

35 20355.6. *Notwithstanding Section 20355.1, and upon a*
36 *finding by two-thirds of all members of the board that the proposed*
37 *purchase in compliance with Sections 20355.1 and 20355.2 does*
38 *not constitute a method of procurement adequate for the operation*
39 *of district facilities or equipment, the board may direct the*
40 *procurement of prototype equipment or modifications in an*

1 amount sufficient to conduct and evaluate operational testing
2 without further observance of any provisions requiring contracts,
3 bids, or notice.

4 20355.7. (a) Notwithstanding any other provision of law, the
5 governing board of the Sonoma-Marin Area Rail Transit District
6 may direct the purchase of (1) electronic equipment, including, but
7 not limited to, computers, telecommunications equipment, fare
8 collection equipment, radio and microwave equipment, and other
9 related electronic equipment and apparatus used in rail transit
10 operations; and (2) specialized rail transit equipment, including,
11 but not limited to, rail cars, by competitive negotiation upon a
12 finding by two-thirds of all members of the board that the purchase
13 of that equipment in compliance with provisions of this code
14 generally applicable to the purchase does not constitute a method
15 of procurement adequate for the district's needs. This section does
16 not apply to contracts for construction or for the procurement of
17 any product available in substantial quantities to the general
18 public.

19 (b) Competitive negotiation, for the purposes of this section,
20 shall include, as a minimum, all of the following elements:

21 (1) A request for proposal shall be prepared and submitted to
22 an adequate number of qualified sources, as determined by the
23 district in its discretion, to permit reasonable competition
24 consistent with the nature and requirements of the procurement. In
25 addition, notice of the request for proposal shall be published at
26 least once in a newspaper of general circulation, which
27 publication shall be made at least 10 days before the proposals are
28 received. The district shall make reasonable efforts to generate the
29 maximum feasible number of proposals from qualified sources and
30 shall make a finding to that effect before proceeding to negotiate
31 if only a single response to the request for proposal is received.

32 (2) The request for proposal shall identify significant
33 evaluation factors, including price, and their relative importance.

34 (3) The district shall provide reasonable procedures for
35 technical evaluation of the proposals received, identification of
36 qualified sources, and selection for contract award.

37 (4) The award shall be made to the qualified bidder whose
38 proposal will be most advantageous to the district with price and
39 other factors considered. If the award is not made to the bidder

1 *whose proposal contains the lowest price, the board shall make a*
2 *finding setting forth the basis for the award.*

3 *(c) The board may reject any and all proposals and request new*
4 *proposals at its discretion.*

5 *(d) A person who submits, or who plans to submit, a proposal*
6 *may protest any acquisition conducted in accordance with this*
7 *section as follows:*

8 *(1) Protests based on the content of the request for proposal*
9 *shall be filed with the district within 10 calendar days after the*
10 *request for proposal is first advertised in accordance with*
11 *subdivision (b). The district shall issue a written decision on the*
12 *protest prior to opening of proposals. A protest may be renewed by*
13 *refiling the protest with the district within 15 calendar days after*
14 *the mailing of the notice of the recommended award.*

15 *(2) Any bidder may protest the recommended award on any*
16 *ground not based upon the content of the request for proposals by*
17 *filing a protest with the district within 15 calendar days after the*
18 *mailing of the notice of the recommended award.*

19 *(3) Any protest shall contain a full and complete written*
20 *statement specifying in detail the grounds of the protest and the*
21 *facts supporting the protest. Protestors shall have an opportunity*
22 *to appear and be heard before the board prior to the opening of*
23 *proposals in the case of protests based on the content of the request*
24 *for proposals, prior to final award in the case of protests based on*
25 *other grounds or the renewal of protests based on the content of the*
26 *request for proposals.*

27 *(e) Provisions in any contract concerning women and minority*
28 *business enterprises, which provisions are in accordance with the*
29 *request for proposals, shall not be subject to negotiation with the*
30 *successful bidder.*

31 *SEC. 4. Part 16 (commencing with Section 105000) is added*
32 *to Division 10 of the Public Utilities Code, to read:*

33
34 *PART 16. SONOMA-MARIN AREA RAIL TRANSIT*
35 *DISTRICT*

36
37 *CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS*
38

39 *105000. This part shall be known and may be cited as the*
40 *Sonoma-Marín Area Rail Transit District Act.*

1 105001. *It is the intent of the Legislature in enacting this part*
2 *to provide for a unified, comprehensive institutional structure for*
3 *the ownership and governance of a passenger rail system within*
4 *the Counties of Sonoma and Marin. It is the further intent of the*
5 *Legislature that the district established by this act may succeed to*
6 *the powers, duties, obligations, liabilities, immunities, and*
7 *exemptions of both the Sonoma-Marín Area Rail Transit*
8 *Commission and the Northwestern Pacific Railroad Authority*
9 *upon their dissolution. Because there is no general law under*
10 *which this district could be formed, the adoption of a special act*
11 *and the formation of a special district is required.*

12 105002. *Unless the context otherwise requires, the provisions*
13 *of this chapter govern the construction of this part.*

14 105003. *As used in this part, the following terms have the*
15 *following meanings:*

16 (a) *“District” means the Sonoma-Marín Area Rail Transit*
17 *District.*

18 (b) *“Rail transit” means the transportation of passengers and*
19 *their incidental baggage by rail.*

20 (c) *“Rail transit works” or “rail transit facilities” means any*
21 *or all real and personal property, equipment, rights or interests*
22 *owned or to be acquired by the district for rail transit service*
23 *purposes.*

24 (d) *“Board of directors,” “board,” or “directors” means the*
25 *board of directors of the district.*

26 (e) *“Public agency” includes the state, and any county, city*
27 *and county, city, district, or other political subdivision or public*
28 *entity of, or organized under the laws of, this state, or any*
29 *department, instrumentality, or agency thereof.*

30 105004. *The Cortese-Knox-Hertzberg Local Government*
31 *Reorganization Act of 2000 (Part 1 (commencing with Section*
32 *56000) Division 3 of Title 5 of the Government Code), shall not*
33 *apply to the formation or dissolution of the district, the*
34 *consolidation of the district with another district, or the*
35 *annexation of additional contiguous territory to the district.*

36

CHAPTER 2. FORMATION OF DISTRICT

105005. *There is hereby created the Sonoma-Marin Area Rail Transit District, comprising the territory lying within the boundaries of the Counties of Marin and Sonoma.*

105006. *Through compliance with the provisions for annexation set forth in Chapter 7 (commencing with Section 105089), the territory of all or part of any other contiguous county may be included within the district.*

105007. (a) *Upon the dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall succeed to any or all of the powers, duties, rights, obligations, liabilities, indebtedness, bonded and otherwise, immunities, and exemptions of the commission and its board of commissioners and the authority and its board of directors.*

(b) *Upon the dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall assume the rights and obligations of the commission and the authority under any contract to which the commission or the authority is a party and which is to be performed, in whole or in part, on or after the date of dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, including, without limitation, any existing operating agreements with the North Coast Railroad Authority.*

(c) *All real and personal property owned by the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority may be transferred to the district. Any real or personal property owned individually or jointly by the Golden Gate Bridge, Highway and Transportation District, the County of Marin, or the Marin County Transit District, or any other public agency, may be transferred to the district. The transfer of any right-of-way from the Northwestern Pacific Railroad Authority, the Golden Gate Bridge, Highway and Transportation District, the County of Marin, or the Marin County Transit District to the district shall be made subject to any existing easements for freight and passenger excursion service issued to the North Coast Railroad Authority prior to the time of the transfer.*

1 (d) Upon the dissolution of the Sonoma-Marin Area Rail
2 Transit Commission, the district shall assume, without any
3 condition whatsoever, all responsibilities and obligations
4 previously assumed by the commission with respect to the
5 SMART's fund transfer agreement with Caltrans for the funding of
6 the Sonoma-Marin Area Rail Transit Project.

7 (e) On and after the date of dissolution of the Sonoma-Marin
8 Area Rail Transit Commission and the Northwestern Pacific
9 Railroad Authority, any reference in any provision of law or
10 regulation to the commission or the authority shall be deemed to
11 refer to the district.

12
13 CHAPTER 3. GOVERNMENT OF DISTRICT

14
15 Article I. Board of Directors

16
17 105008. The government of the district shall be vested in a
18 board of directors, which shall consist of 12 members, appointed
19 as follows:

20 (a) Two members of the Sonoma County Board of Supervisors,
21 each of whom shall also serve on the Board of Directors of the
22 Sonoma County Transportation Authority, appointed by the
23 Sonoma County Board of Supervisors.

24 (b) Two members of the Marin County Board of Supervisors,
25 appointed by the Marin County Board of Supervisors.

26 (c) Three members, each of whom shall be a mayor or council
27 member of a city or town within the County of Sonoma and a
28 member of the Sonoma County Transportation Authority,
29 appointed by the Sonoma County Transportation Authority or its
30 successor.

31 (d) The member of the City Council of the City of Novato who
32 also serves on the Marin County Congestion Management Agency,
33 appointed by the Marin County Congestion Management Agency
34 or its successor.

35 (e) The member of the City Council of the City of San Rafael
36 who also serves on the Marin County Congestion Management
37 Agency, appointed by the Marin County Congestion Management
38 Agency or its successor.

39 (f) One member, who shall be a mayor or council member of a
40 city or town within the County of Marin and a member of the Marin

1 County Congestion Management Agency, appointed by the Marin
2 County Council of Mayors and Council Members.

3 (g) Two members of the Golden Gate Bridge, Highway and
4 Transportation District, neither of whom shall be a member of the
5 Marin or Sonoma County Boards of Supervisors, appointed by the
6 Golden Gate Bridge, Highway and Transportation District or its
7 successor.

8 105009. (a) Each director shall serve at the pleasure of his or
9 her appointing authority.

10 (b) Within 60 days of its occurrence, any vacancy on the board
11 shall be filled by the body that originally made the appointment to
12 the office in which the vacancy exists.

13 105010. The board may fix the amount of compensation to be
14 paid to each member of the board. The compensation shall not
15 exceed five hundred dollars (\$500) in any one calendar month.
16 Each member shall be allowed necessary traveling and personal
17 expenses incurred in the performance of his or her duties as may
18 be authorized by the board.

19
20 Article 2. Powers and Duties of Board of Directors
21

22 105011. The board is the legislative body of the district and,
23 consistent with the provisions of this part, shall determine all
24 district policy.

25 105012. The board shall select one of its members as
26 chairperson, and another of its members as vice chairperson, who
27 shall serve in the absence of the chairperson.

28 105013. It shall be the duty of the board and it shall have the
29 power to:

30 (a) Own, operate, manage, and maintain a passenger rail
31 system within the territory of the district.

32 (b) Determine the rail transit facilities to be acquired and
33 constructed by the district, the manner of operation, and the means
34 to finance them.

35 (c) Adopt an annual budget for the district that provides for the
36 compensation of its officers and employees.

37 (d) Fix rates, rentals, charges, and classifications of rail transit
38 service operated by the district.

39 (e) Adopt an administrative code that prescribes the powers
40 and duties of district officers, the method of appointment of district

1 *employees, and the methods, procedures, and systems for the*
2 *operation and management of the district.*

3 *(f) Adopt rules and regulations governing the use of rail transit*
4 *facilities owned or operated by the district.*

5 *(g) Cause a postaudit of the financial transactions and records*
6 *of the district to be made at least annually by a certified public*
7 *accountant.*

8 *(h) Adopt rules and regulations providing for the*
9 *administration of employer-employee relations.*

10 *(i) Do any and all things necessary to carry out the purposes of*
11 *this part.*

12
13 *Article 3. Meetings and Legislation*
14

15 *105014. All meetings of the board shall be conducted in the*
16 *manner prescribed by the Ralph M. Brown Act (Chapter 9*
17 *(commencing with Section 54950) of Part 1 of Division 2 of Title*
18 *5 of the Government Code).*

19 *105015. A majority of the board constitutes a quorum for the*
20 *transaction of its business.*

21 *105016. The affirmative vote of a majority of the members of*
22 *the board shall be necessary and, except as otherwise provided in*
23 *this act, shall be sufficient to carry out any order, resolution, or*
24 *ordinance coming before the board.*

25 *105017. The board shall establish rules for its proceedings*
26 *and determine the place and time for its meetings.*

27 *105018. The acts of the board shall be expressed by motion,*
28 *resolution, or ordinance.*

29
30 *Article 4. Other Officers*
31

32 *105019. The board shall appoint a general manager for the*
33 *district. The board may appoint a secretary, a chief engineer, a*
34 *legal counsel, a controller, an auditor, a treasurer, and other*
35 *officers, assistants, and deputies, as the board may deem necessary*
36 *and provide for by ordinance. These officers shall serve at the*
37 *pleasure of the board. The offices of auditor, controller, and*
38 *treasurer may be held by separate officers or combined and held*
39 *by one officer.*

105020. *The Counties of Marin and Sonoma, the Golden Gate Bridge, Highway and Transportation District, or any other public agency may render assistance to the district as it may require, including the performance by officers of the counties, the Golden Gate Bridge, Highway and Transportation District, or other public agency of the functions of legal counsel, controller, auditor, and treasurer. The district shall reimburse the counties, the Golden Gate Bridge, Highway and Transportation District, or other public agency for the services performed by them for the district.*

105021. *The powers and duties of the general manager are:*
 (a) *To head the administrative branch of the district and to be responsible to the board for the proper administration of all affairs of the district.*

(b) *To appoint, supervise, suspend, or remove district officers, other than members of the board and officers appointed by the board.*

(c) *To supervise and direct the preparation of the annual budget for the board and to be responsible for its administration after its adoption.*

(d) *To formulate and present to the board plans for rail transit facilities within the district and the means to finance them.*

(e) *To supervise the planning, acquisition, construction, maintenance, and operation of the rail transit facilities of the district.*

(f) *To attend meetings of the board.*

(g) *To prepare and submit to the board, as soon as practicable after the end of each fiscal year, a complete report of the finances and administrative activities of the district for the preceding year.*

(h) *To perform other and additional duties as the board may require.*

CHAPTER 4. *POWERS AND FUNCTIONS OF THE DISTRICT*

Article 1. *Corporate Powers*

105022. *The district has perpetual succession and may adopt a seal and alter it at its pleasure.*

105023. *The district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.*

1 105024. *All claims for money or damages against the district*
2 *are governed by Division 3.6 (commencing with Section 810) of*
3 *Title 1 of the Government Code, except as provided herein, or by*
4 *other statutes or regulations expressly applicable thereto.*

5
6 Article 2. *Contracts*
7

8 105025. *The district may make contracts and enter into*
9 *stipulations of any nature whatsoever, employ labor, and do all acts*
10 *necessary and convenient for the full exercise of the powers*
11 *granted in this part.*

12 105026. *No officer or employee of the district shall in any*
13 *manner be interested, directly or indirectly, in any contract*
14 *awarded or to be awarded by the board, or in the profits to be*
15 *derived therefrom, contrary to the provisions of Article 4*
16 *(commencing with Section 1090) of Chapter 1 of Division 4 of Title*
17 *1 of the Government Code.*

18 105027. *The district may insure against any accident or*
19 *destruction of the rail transit system or any part thereof. The*
20 *district may insure against loss of revenues from any cause*
21 *whatsoever. In proceedings authorizing the issuance of any bonds,*
22 *the district may provide for the carrying of insurance in an amount*
23 *and of a character as may be specified, and may provide for the*
24 *payment of premiums thereon. The district may also provide*
25 *insurance as provided in Part 6 (commencing with Section 989) of*
26 *Division 3.6 of Title 1 of the Government Code.*

27 105028. *The district may contract for the services of*
28 *independent contractors.*

29 105029. *For purposes of entering into design-build contracts,*
30 *the district is a “transit operator” within the meaning of Article*
31 *6.8 (commencing with Section 20209.5) of Chapter 1 of Part 3 of*
32 *Division 2 of the Public Contracts Code.*

33 105030. *The district is a local agency for purposes of the*
34 *Natural Disaster Assistance Act, Chapter 7.5 (commencing with*
35 *Section 8680) of Division 1 of Title 2 of the Government Code.*

36
37 Article 3. *Property*
38

39 105031. *The district may take by grant, purchase, devise, or*
40 *lease, or condemn in proceedings under eminent domain, or*

1 otherwise acquire, and hold and enjoy, real property of every kind
2 within or without the district necessary to the full or convenient
3 exercise of its powers. The board may lease, mortgage, sell, or
4 otherwise dispose of any real or personal property when in its
5 judgment it is in the best interests of the district to do so.

6 105032. The district may exercise the right of eminent domain
7 to take any property necessary or convenient to the exercise of the
8 powers granted in this act. The district, in exercising that right,
9 shall, in addition to the damage for the taking, injury, or
10 destruction of property, also pay the cost, exclusive of betterment
11 and with credit for salvage value, of removal, reconstruction, or
12 relocation of any substitute facilities, including structures,
13 railways, mains, pipes, conduits, wires, cables or poles of any
14 public utility which is required to be moved to a new location.

15 105033. (a) The district may take by gift, or take or convey by
16 grant, purchase, devise, or lease, and hold and enjoy, real and
17 personal property of every kind within or without the district
18 necessary for, incidental to, or convenient for, transit-oriented
19 joint development projects that meet the definition and
20 requirement set forth in subdivision (b).

21 (b) (1) For purposes of this section, a “transit-oriented joint
22 development project” is a commercial, residential, or mixed-use
23 development that is undertaken in connection with existing,
24 planned, or proposed intermodal transit facilities and is located
25 one-fourth mile or less from the external boundaries of that facility.

26 (2) Any transit-oriented joint development project created
27 under this section shall comply with the land use and zoning
28 regulations of the city, county, or city and county in which the
29 project is located.

30 (c) The authority granted under this section extends to any joint
31 powers agency of which the district is a member and for which the
32 district serves as the managing agency.

33 34 Article 4. Rail Transit Facilities and Service

35
36 105034. The district may provide a rail transit system for the
37 transportation of passengers and their incidental baggage by rail.

38 105035. (a) The district may acquire, construct, own,
39 operate, control, or use rights-of-way, rail lines, stations,
40 platforms, switches, yards, terminals, parking lots, and any and all

1 *other facilities necessary or convenient for rail transit within and*
2 *without the district, together with all physical structures necessary*
3 *or convenient for the access of persons and vehicles thereto, and*
4 *may acquire or contract for any interest in or rights to the use or*
5 *joint use of any or all of the foregoing.*

6 *(b) The district may contract with any public agency or person*
7 *for the operation of shuttle services necessary or convenient for*
8 *rail transit.*

9 *105036. The district may lease or contract for the use of its*
10 *rail transit facilities, or any portion thereof, to any operator, and*
11 *may provide for subleases by the operator upon any terms and*
12 *conditions it deems in the public interest. As used in this section,*
13 *“operator” means any public agency or any person.*

14 *105037. The board may contract with any public agency or*
15 *person to provide rail transit facilities and services for the district.*

16 *105038. The district may construct and operate or acquire*
17 *and operate rail transit works and facilities in, under, upon, over,*
18 *across, or along any state or public highway or any stream, bay or*
19 *water course, or over any of the lands that are the property of the*
20 *state, to the same extent that these rights and privileges are granted*
21 *to municipalities within the state.*

22 *105039. Except as otherwise provided in Section 105033, the*
23 *provisions of Article 5 (commencing with Section 53090) of*
24 *Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code*
25 *shall not be applicable to the district.*

26 *105040. The district may enter into agreements for the joint*
27 *use of any property and rights by the district and any city, public*
28 *agency, or public utility operating transit facilities and may enter*
29 *into agreements with any city, public agency, or public utility*
30 *operating any transit facilities, wholly or partially within or*
31 *without the district, for the joint use of any property of the district*
32 *or of the city, public agency, or public utility, or for the*
33 *establishment of through routes, joint fares, transfer of passengers,*
34 *or pooling agreements.*

35 *105041. The district may, without limitation by any other*
36 *provisions of this part requiring approval of indebtedness, accept*
37 *contributions of money, grants, loans, rights-of-way, labor,*
38 *materials, and any other property from the state or the United*
39 *States, or any department, instrumentality, or agency thereof, or*
40 *from any public agency for the acquisition, construction,*

1 maintenance, and operation of rail transit facilities. The district
2 may, without limitation by any other provisions of this part, enter
3 into any contract and cooperate with and accept cooperation from
4 the state or the United States, or any department, instrumentality,
5 or agency thereof, or any public agency in the acquisition,
6 construction, maintenance, and operation of, and in financing the
7 acquisition, construction, maintenance, and operation of, any rail
8 transit facilities. The district may do any and all things necessary
9 in order to obtain the aid, assistance, and cooperation under any
10 federal or state legislation now or hereafter enacted. Any evidence
11 of indebtedness issued under this section shall constitute a
12 negotiable instrument.

13 105042. The rates and charges for rail transit service
14 furnished pursuant to this part shall be fixed by the board and shall
15 be reasonable.

16 17 Article 5. Taxation

18
19 105043. Upon the affirmative vote of a majority of the
20 directors, which shall include an affirmative vote of at least three
21 directors from each county within the district appointed pursuant
22 to subdivisions (a), (b), (c), (d), (e), and (f) of Section 105008, the
23 board may by resolution submit to the voters of the district a
24 measure proposing a retail transactions and use tax ordinance in
25 accordance with the provisions of Part 1.6 (commencing with
26 Section 7251) of Division 2 of the Revenue and Taxation Code.

27 28 Article 6. Investments and Deposits

29
30 105044. The district's investment of any surplus money in its
31 treasury, including money in any sinking fund, shall be in
32 accordance with Article 1 (commencing with Section 53600) of
33 Chapter 4 of Part 1 of Division 2 of the Government Code.

34 105046. The district's deposit of district money shall be in
35 accordance with Article 2 (commencing with Section 53630) of
36 Chapter 4 of Part 1 of Division 2 of the Government Code.

CHAPTER 5. PERSONNEL

Article 1. Employee Relations

Article 2. Rights of Employees of Existing Facilities

Article 3. Retirement System

Article 4. Other Benefits

CHAPTER 6. BONDS AND OTHER EVIDENCE OF INDEBTEDNESS

Article 1. Authorization and Issuance of General Obligation
Bonds

105062. Whenever the board deems it necessary for the district to incur a bonded indebtedness for the acquisition or improvement of real property authorized by this part or necessary or convenient for the carrying out of the powers of the district, the board shall, by ordinance, adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the district, provided the total amount of bonds issued and outstanding pursuant to this article shall not exceed 15 percent of the assessed value of the taxable property of the district as shown by the last equalized assessment roll of the counties within the district. The ordinance shall state:

(a) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to or connected with the accomplishment of those purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant, and other fees; bond and other reserve funds; working capital; bond interest estimated to accrue during the construction period and for a period not to exceed three years

1 *thereafter; and expenses of all proceedings for the authorization,*
2 *issuance, and sale of the bonds.*

3 *(b) The estimated cost of accomplishing those purposes.*

4 *(c) The amount of the principal of the indebtedness.*

5 *(d) The maximum term the bonds proposed to be issued shall*
6 *run before maturity, which shall not exceed 50 years from the date*
7 *thereof or the date of each series thereof.*

8 *(e) The maximum rate of interest to be paid, which shall not*
9 *exceed 7 percent per annum.*

10 *(f) The proposition to be submitted to the voters, which may*
11 *include one or more purposes.*

12 *(g) The date of the election.*

13 *(h) The manner of holding the election and the procedure for*
14 *voting for or against the measure.*

15 *(i) The ordinance may also contain any other matters*
16 *authorized by this part or any other law.*

17 *105063. Notice of holding of the election shall be given by*
18 *publishing, pursuant to Section 6066 of the Government Code, the*
19 *ordinance calling the election in at least one newspaper published*
20 *in the district. No other notice of the election need be given. Except*
21 *as otherwise provided in the ordinance, the election shall be*
22 *conducted as other district elections.*

23 *105064. If any proposition is defeated by the electors, the*
24 *board shall not call another election on a substantially similar*
25 *proposition to be held within six months after the prior election. If*
26 *a petition requesting submission of this type of a proposition,*
27 *signed by 15 percent of the district electors, as shown by the votes*
28 *cast for all candidates for governor within the district at the last*
29 *gubernatorial election, is filed with the board, the board may call*
30 *an election before the expiration of six months.*

31 *105065. If two-thirds of the electors voting on the proposition*
32 *vote for it, then the board may, by resolution, at the time or times*
33 *it deems proper, issue bonds of the district for the whole or any part*
34 *of the amount of the indebtedness so authorized and may from time*
35 *to time, by resolution, provide for the issuance of any necessary*
36 *amounts, until the full amount of the bonds authorized shall have*
37 *been issued. The full amount of bonds may be divided into two or*
38 *more series and different dates and different dates of payment fixed*
39 *for the bonds of each series. A bond need not mature on an*
40 *anniversary of its date. The maximum term the bonds of any series*

1 shall run before maturity shall not exceed 50 years from the date
2 of each series respectively. In the resolution or resolutions, the
3 board shall prescribe the form of the bonds (including, without
4 limitation, registered bonds and coupon bonds) and the form of
5 any coupons to be attached thereto, the registration, conversion,
6 and exchange privileges, if any, pertaining thereto, and fix the time
7 when the whole or any part of the principal shall become due and
8 payable.

9 105066. The bonds shall bear interest at a rate or rates not
10 exceeding 7 percent per annum, payable semiannually, except that
11 the first interest payable on the bonds or any series thereof may be
12 for any period not exceeding one year as determined by the board.
13 In the resolution or resolutions providing for the issuance of the
14 bonds, the board may also provide for call and redemption of the
15 bonds prior to maturity at the times and prices and upon any other
16 terms it may specify, but no bond shall be subject to call or
17 redemption prior to maturity unless it contains a recital to that
18 effect or unless a statement to that effect is printed thereon. The
19 denomination or denominations of the bonds shall be stated in the
20 resolution providing for their issuance, but shall not be less than
21 one thousand dollars (\$1,000). The principal of and interest on the
22 bonds shall be payable in lawful money of the United States at the
23 office of the treasurer of the district or at any other place or places
24 that may be designated, or at either place or places at the option
25 of the holders of the bonds. The bonds, or series thereof, shall be
26 dated and numbered consecutively and shall be signed by the
27 chairperson of the board and the treasurer, countersigned by the
28 secretary and the official seal of the district attached. The interest
29 coupons of the bonds shall be signed by the treasurer. All
30 signatures, countersignatures, and seal may be printed,
31 lithographed, or mechanically reproduced, except that one of the
32 signatures or countersignatures on the bonds shall be manually
33 affixed. If any officer whose signature or countersignature appears
34 on bonds or coupons ceases to be an officer before the delivery of
35 the bonds, his or her signature is as effective as if he or she had
36 remained in office.

37 105067. The bonds may be sold as the board determines by
38 resolution but for not less than par. Before selling the bonds or any
39 part thereof, the board shall give notice inviting sealed bids in a
40 manner as it may prescribe. If satisfactory bids are received, the

bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

105068. Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

105069. All accrued interest and premiums received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and applied exclusively to the purposes for which the debt was incurred; provided, however, that when those purposes have been accomplished any moneys remaining in the improvement fund (a) shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, or (b) shall be placed in a fund to be used for the purchase of outstanding bonds of the district from time to time in the open market at the prices and in the manner, either at public or private sale or otherwise, as the board may determine. Bonds so purchased shall be canceled immediately.

105070. After the expiration of three years after a bond election the board may determine, by ordinance adopted by a vote of two-thirds of all the members of the board, that any or all of the bonds authorized at the election remaining unsold shall not be issued or sold. When the ordinance takes effect, the authorization to issue these bonds shall become void.

105071. Whenever the board deems that the expenditure of money for the purposes for which the bonds were authorized by the voters is impractical or unwise, it may, by ordinance adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of these bonds for some other purposes or, in the case where bonds have been sold, the proposition to use the proceeds for some other purposes. The procedure, so far as applicable, shall be the same as when a bond proposition is originally submitted.

1 105072. *The board may provide for the issuance, sale, or*
2 *exchange of refunding bonds to redeem or retire any bonds issued*
3 *by the district upon the terms, at the times, and in the manner which*
4 *it determines. Refunding bonds may be issued in a principal*
5 *amount sufficient to pay all or any part of the principal of the*
6 *outstanding bonds, the interest thereon, and the premiums, if any,*
7 *due upon call and redemption thereof prior to maturity and all*
8 *expenses of the refunding. The provisions of this article for*
9 *issuance and sale of bonds apply to the issuance and sale of the*
10 *refunding bonds, except that (a) no election need be called or held*
11 *for the purpose of authorizing the issuance of refunding bonds, and*
12 *(b) when refunding bonds are to be exchanged for outstanding*
13 *bonds, the method of exchange shall be determined by the board.*

14 105073. *The provisions of Article 4 (commencing with*
15 *Section 53500) of Chapter 3 of Part 1 of Division 2 of Title 5 of the*
16 *Government Code are applicable to the district.*

17 105074. *Any bonds that are issued under the provisions of this*
18 *article shall be legal investment for all trust funds; for the funds*
19 *of insurance companies, banks, both commercial and savings, and*
20 *trust companies; and for state school funds. Whenever any money*
21 *or funds may, by any law now or hereafter enacted, be invested in*
22 *bonds of cities, cities and counties, counties, school districts, or*
23 *other districts within the state, the money or funds may be invested*
24 *in the bonds issued under this part. Whenever bonds of cities, cities*
25 *and counties, counties, school districts, or other districts within*
26 *this state may, by any law now or hereafter enacted, be used as*
27 *security for the performance of any act or the deposit of any public*
28 *moneys, the bonds issued under this part may be so used. The*
29 *provisions of this article shall be in addition to all other laws*
30 *relating to legal investments and shall be controlling as the latest*
31 *expression of the Legislature with respect thereto.*

32 105075. *The board may enter into any covenants deemed*
33 *proper to provide for issuance of additional parity bonds and the*
34 *priority and pledge of special taxes; and any other covenants that*
35 *are customary or desirable in the issuance of any bonds payable*
36 *out of special funds or that are necessary, convenient, or desirable*
37 *to secure the bonds or tending to make them more marketable,*
38 *subject to the provisions of the ordinance calling the bond election.*
39

Article 2. Revenue Bonds

105076. The district may issue bonds, payable from revenue of any facility or enterprise to be acquired or constructed by the district, in the manner provided by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), all of the provisions of which are applicable to the district, except that Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code and the limitations set forth in subdivision (b) of Section 54402 and in Sections 54403 and 54418 of the Government Code do not apply to the issuance and sale of bonds pursuant to this article. As used in Section 54315 of the Government Code, “revenues” shall include, but not be limited to, the proceeds of, or any portion of the proceeds of, a sales and use tax imposed under Article 5 (commencing with Section 105044) of Chapter 4 or under any other provisions of law, so long as the resolution authorizing the bonds contains no restriction that would provide that this tax shall not continue to be imposed until the bonds are fully paid or a provision has been made for their payment in full.

105077. The district is a local agency within the meaning of the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code. The term “enterprise” as used in the Revenue Bond Law of 1941 shall, for all purposes of this part, include the system or any or all rail transit facilities and all additions, extensions, and improvements thereto authorized to be acquired, constructed, or completed by the district. The district may issue revenue bonds under the Revenue Bond Law of 1941, for any one or more rail transit facilities authorized to be acquired, constructed, or completed by the district or, in the alternative, may issue revenue bonds under the Revenue Bond Law of 1941, for the acquisition, construction, and completion of any rail transit facilities. Nothing in this article shall prevent the district from availing itself of, or making use of, any procedure provided in this part for the issuance of bonds of any type or character for any of the rail transit facilities authorized hereunder, and all proceedings may be carried on simultaneously or, in the alternative, as the board may determine.

Article 3. *Equipment Trust Certificates*

105078. *The district shall have power to purchase rail transit equipment such as cars or rolling equipment; and may execute agreements, leases, and equipment trust certificates in the forms customarily used by private corporations engaged in the rail transit business appropriate to effect purchase and leasing of rail transit equipment and may dispose of the equipment trust certificates upon the terms and conditions the board deems appropriate. Payment for the equipment, or rentals therefor, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates payable from any source or sources of funds specified in the certificates that are or will be legally available to the district. Title to the equipment shall not rest in the district until the equipment trust certificates are paid.*

105079. *The agreement to purchase or lease may direct the vendor or lessor to sell and assign or lease the rolling equipment to a bank or trust company duly authorized to transact business in the state as trustee, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the rolling equipment to one or more designated officers of the district and may authorize the district to execute and deliver simultaneously therewith an installment purchase agreement or a lease of the equipment to the district.*

105080. *The agreements and leases shall be duly acknowledged before a person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds. The agreements, leases, and equipment trust certificates shall be authorized by resolution of the district and shall contain the covenants, conditions, and provisions deemed necessary or appropriate to insure the payment of the equipment trust certificates from legally available sources of funds specified in the certificates.*

105081. *The covenants, conditions, and provisions of the agreements, leases, and equipment trust certificates shall not conflict with any of the provisions of any trust agreement securing the payment of bonds, notes, or certificates of the district.*

Article 4. *Improvement Acts and Special Benefit Districts*

105082. *The Improvement Act of 1911 (Part 1 (commencing with Section 5000) of Division 7 of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Chapter 1 (commencing with Section 10000) of Division 12 of the Streets and Highways Code), and the Improvement Bond Act of 1915 (Part 1 (commencing with Section 8500) of Division 10 of the Streets and Highways Code) are applicable to the district.*

105083. *The provisions of Chapter 1 (commencing with Section 99000) of Part 11 of Division 10 of the Public Utilities Code are applicable to the district.*

Article 5. *Temporary Borrowing*

105084. *The district may borrow money in accordance with the provisions of Article 7 (commencing with Section 53820), or of Article 7.6 (commencing with Section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.*

105085. *The district may borrow money in anticipation of the sale of bonds that have been authorized to be issued, but have not been sold and delivered, and may issue negotiable bond anticipation notes therefor and may renew the same from time to time. The maximum maturity of those notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original notes. The notes may be paid from any moneys of the district available therefor and not otherwise pledged. If not previously otherwise paid, the notes shall be paid from the proceeds of the next sale of the bonds of the district in anticipation of which they were issued. The notes shall not be issued in any amount in excess of the aggregate amount of bonds which the district has been authorized to issue, less the amount of any bonds of that authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The notes shall be issued and sold in the same manner as the bonds. The notes and the resolution or resolutions authorizing them may contain any provisions, conditions, or limitations that a resolution of the district authorizing the issuance of bonds may contain.*

Article 6. Miscellaneous

105086. The district may bring an action to determine the validity of any of its bonds, equipment trust certificates, warrants, notes, or other evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

105087. All bonds and other evidences of indebtedness issued by the district under the provisions of this part, and the interest thereon, are free and exempt from all taxation within the state, except for transfer, franchise, inheritance, and estate taxes.

105088. Notwithstanding any other provisions of this part or any other law, the provisions of all ordinances, resolutions, and other proceedings in the issuance by the district of any bonds, bonds with a pledge of revenues, bonds for improvement districts, revenue bonds, equipment trust certificates, notes, or any and all evidences of indebtedness or liability shall constitute a contract between the district and the holders of the bonds, equipment trust certificates, notes, or evidences of indebtedness or liability and the provisions thereof shall be enforceable against the district, or any or all of its successors or assigns, by mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction. Nothing contained in this part or in any other law shall be held to relieve the district or the territory included within it from any bonded or other debt or liability contracted by the district. Upon dissolution of the district or upon withdrawal of territory therefrom, the property formerly included within the district or withdrawn therefrom shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of the dissolution or withdrawal the same as if the district had not been so dissolved or the territory withdrawn therefrom, and it shall be the duty of the successors or assigns to provide for the payment of the bonded and other indebtedness and liabilities. Except as may be otherwise provided in the proceedings for the authorization, issuance, and sale of any revenue bonds, bonds secured by a pledge of revenues or bonds for improvement districts secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities, or property owned, operated or controlled by the district shall be pledged, charged, assigned, and

1 have a lien thereon for the payment of the bonds as long as they are
2 outstanding, regardless of any change in ownership, operation, or
3 control of those revenue-producing improvements, works,
4 facilities, or property and it shall, in such later event or events, be
5 the duty of the successors or assigns to continue to maintain and
6 operate the revenue-producing improvements, works, facilities, or
7 property as long as bonds are outstanding.

8
9 CHAPTER 7. ANNEXATION

10
11 105089. Territory may be annexed to the district in the manner
12 provided in this chapter.

13 105090. A county contiguous to the district may, by majority
14 vote of the board of supervisors of that county, petition the district
15 to annex all or part of the territory within the county. Alternatively,
16 the board of the district may propose annexation of any territory
17 contiguous to the district.

18 105091. If annexation is proposed pursuant to Section
19 105090, the board shall determine whether the additional territory
20 proposed to be annexed will be benefited by annexation to the
21 district, and shall pass a resolution to that effect. The resolution
22 shall be passed by a vote of two-thirds of the members of the board
23 and be approved by the board of supervisors of the county in which
24 the territory is situated.

25 105092. The board of supervisors of the county in which the
26 territory to be annexed is situated shall agree in writing with the
27 board of directors of the district upon the terms and conditions of
28 annexation. The agreement may provide for the levy and collection
29 of special taxes within the county in addition to the taxes elsewhere
30 provided for in this part, the fixing of rates, rentals, and charges
31 differing from those fixed or existing elsewhere within the district,
32 the incurring or assumption of indebtedness, the making of a
33 payment or payments, or the transfer of property, real and
34 personal, and other assets to the district by the county.

35 105093. The resolution shall:

36 (a) Describe the boundaries of the territory proposed to be
37 annexed.

38 (b) Designate the proposed annexation by an appropriate
39 name.

1 (c) Declare that the area to be annexed to the district will be
2 benefited by annexation.

3 (d) Name the time and place for the hearing of objections by
4 any person interested in the proposed annexation.

5 (e) Describe any terms and conditions of annexation agreed to
6 between the district and the county pursuant to Section 105092.

7 105094. The resolution, together with the names of the
8 members of the board voting for and against it, shall be published
9 pursuant to Section 6066 of the Government Code in a newspaper
10 published in the territory proposed to be annexed, or if there is no
11 paper, then in some newspaper of general circulation, circulated
12 in the territory.

13 105095. On the day fixed for hearing or on any day to which
14 the hearing is adjourned, the board shall hear and consider any
15 objections presented to the annexation of the territory. After the
16 hearing of objections, if it is determined by a vote of two-thirds of
17 all the members of the board that the territory proposed to be
18 annexed will be benefited by annexation, the board shall proceed
19 to fix and determine the boundaries of the territory to be annexed
20 to the district.

21 105096. After making all necessary and proper changes in the
22 boundaries, by a resolution passed by a vote of two-thirds of the
23 members, the board shall order the annexation of the territory so
24 described. The resolution, together with the names of the members
25 of the board voting for and against the same shall be set forth in
26 the minutes of the board.

27 105097. Whenever any territory is annexed to the district it
28 shall thereupon become a part of the district subject to all the
29 liabilities and entitled to all the benefits of the district.

30
31 CHAPTER 8. SERVICE ZONES
32

33 105098. (a) Whenever the board determines that it is in the
34 public interest to provide different services, to provide different
35 levels of service, to provide different facilities or other
36 improvements, or to raise additional revenues within specific
37 areas of the district, it may form one or more service zones
38 pursuant to this chapter.

39 (b) The board shall initiate proceedings for the formation of a
40 new zone by adopting a resolution that shall do all of the following:

1 (1) *State that the proposal is made pursuant to this chapter.*

2 (2) *Set forth a description of the boundaries of the territory to*
3 *be included in the zone.*

4 (3) *State the different services, different levels of service, or*
5 *additional revenues which the zone will provide.*

6 (4) *Set forth the methods by which those services or levels of*
7 *service will be financed.*

8 (5) *State the reasons for forming the zone.*

9 (6) *Propose a name or number for the zone.*

10 (7) *Fix the date, time, and place for the public hearing on the*
11 *formation of the zone.*

12 (c) *The district shall publish notice of the hearing, including*
13 *the information required by subdivision (b), pursuant to Section*
14 *6061 of the Government Code, in one or more newspapers of*
15 *general circulation in the district. The district shall mail the notice*
16 *to all owners of property within the proposed zone. The district*
17 *shall post the notice in at least three public places within the*
18 *territory of the proposed zone.*

19 (d) *At the hearing, the board shall hear and consider any*
20 *protests to the formation of the zone. At the conclusion of the*
21 *hearing, the board may adopt a resolution ordering the formation*
22 *of the zone.*

23 105099. *The board may change the boundaries of a service*
24 *zone or dissolve a zone by following the procedures in Section*
25 *105098.*

26 105100. *A local agency formation commission shall have no*
27 *power or duty to review and approve or disapprove a proposal to*
28 *create a service zone, a proposal to change the boundaries of a*
29 *zone, or a proposal to dissolve a zone.*

30 105101. *As determined by the board, a service zone may*
31 *provide any service at any level within its boundaries that the*
32 *district may provide.*

33 105102. *As determined by the board and pursuant to the*
34 *requirements of this part, a service zone may exercise any fiscal*
35 *powers within its boundaries that the district may exercise.*

36 105103. *Any taxes, special taxes, assessments, or fees which*
37 *are intended solely for the support of services within a zone shall*
38 *be levied, assessed, and collected only within the boundaries of the*
39 *zone.*

1 105104. *To assist in the operation of a service zone, the board*
2 *may appoint one or more advisory groups composed of persons*
3 *who reside in or own property in the zone.*

5 CHAPTER 9. *CONSOLIDATION WITH OTHER TRANSIT DISTRICTS*

7 105105. *The district may be consolidated with another transit*
8 *district, in the manner provided in this chapter.*

9 105106. *Whenever the board finds and determines that:*

10 (a) *Another transit district is willing to annex the territory*
11 *comprising the district;*

12 (b) *The annexing district has adequate facilities for and is able*
13 *to supply rail transit service to the district in a manner equal to or*
14 *superior to that presently rendered by the district;*

15 (c) *Annexation will not result in the assumption of financial*
16 *obligations by the taxpayers of the district disproportionate to the*
17 *services that they will receive; the board shall thereafter negotiate*
18 *an agreement with the annexing transit district specifying the*
19 *terms and conditions of annexation and any other matters*
20 *necessary and incidental thereto.*

21 105107. *The board shall thereafter, by resolution setting forth*
22 *the terms and conditions of the proposed contract at length,*
23 *declare its intention to cause the agreement to be approved and*
24 *effect consolidation of the district with the other transit district.*

25 105108. *The resolution, together with a notice fixing the time*
26 *and place for hearing thereon, shall be published once in a*
27 *newspaper of general circulation published in the district. The*
28 *time fixed for hearing shall not be less than 30 nor more than 60*
29 *days from the date of publication of the notice.*

30 105109. *At the hearing, any interested person may file with*
31 *the board written objections to the approval of the terms and*
32 *conditions of the proposed contract or the consolidation, or both*
33 *the proposed contract and the consolidation.*

34 105110. *Upon the hearing, the board shall determine whether*
35 *or not the terms and conditions of the contract will be approved*
36 *and the consolidation effected, and shall hear and determine all*
37 *objections thereto.*

38 105111. *Any hearing on the agreement and consolidation may*
39 *be adjourned from time to time by the board, not exceeding 60 days*

in all, without further notice other than an order entered upon the minutes of the meeting fixing the time and place of adjournment.

105112. If no protests are filed, or if the protests filed are overruled and denied by the board, the board shall thereupon by resolution finally approve the terms and conditions of the agreement and proceed with the consolidation.

105113. At any time after the board has finally approved the agreement, the board shall cause an election to be held in the district to determine whether the district will be consolidated with the other transit district upon the terms and conditions stated in the agreement.

105114. Notice of election shall be published once a week for two successive weeks (two publications) in a newspaper of general circulation published within the district, and shall either state that a copy of the consolidation agreement is on file in the office of the district and open to the inspection of all persons interested, or set forth the terms and conditions of the consolidation agreement at length in each publication, in the discretion of the board.

105115. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of consolidation substantially as follows:

<i>Shall the Sonoma–Marin Area Rail Transit District be consolidated with [name of other transit district] in accordance with and subject to all the terms and conditions of the consolidation agreement dated ____</i>	YES	
<i>now on file in the office of Sonoma–Marin Area Rail Transit District?</i>	NO	

105116. If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the consolidation, the proposition and all of the terms and conditions of the consolidation agreement shall be deemed carried and approved by the voters.

105117. If the proposition fails to carry, the result shall be entered upon the minutes of the board.

1 105118. *If the proposition receives the vote of the requisite*
2 *majority of voters, the board shall enter in its minutes an order*
3 *declaring the result of the election and shall thereupon cause the*
4 *consolidation agreement to be executed by its duly authorized*
5 *officers.*

6 105119. *Upon receipt by the annexing transit district of a copy*
7 *of the consolidation agreement properly executed by the district,*
8 *the board of directors of the annexing transit district shall pass a*
9 *resolution declaring the Sonoma-Marín Area Rail Transit District*
10 *consolidated with the annexing transit district, and shall cause a*
11 *certified copy of the resolution to be filed with the Secretary of*
12 *State. From and after the date of filing of the resolution with the*
13 *Secretary of State, the consolidation of the Sonoma-Marín Area*
14 *Rail Transit District with the annexing transit district is complete.*

15 105120. *The validity of any consolidating proceedings shall*
16 *not be contested in any action unless the action is brought within*
17 *three months after the completion of the proceedings.*

18 105121. *Upon the completion of the consolidation procedure,*
19 *the Sonoma-Marín Area Rail Transit District shall be deemed to*
20 *be dissolved.*

21
22 CHAPTER 10. DISSOLUTION
23

24 105122. *If the district operates no rail transit facilities, the*
25 *board may call an election at any time for the purpose of*
26 *submitting to the voters of the district the question of whether the*
27 *district shall be dissolved. Upon the filing with the secretary of the*
28 *district of a petition signed by voters within the district equal in*
29 *number to at least 25 percent of the total vote cast at the last*
30 *general statewide election, asking that the question of dissolution*
31 *of the district be submitted to the voters of the district, the board*
32 *shall call the election.*

33 105123. *The election for the purpose of submitting to the*
34 *voters of the district the question of whether or not the district shall*
35 *be dissolved shall be held within 60 days following the date on*
36 *which the petition is filed.*

37 105124. *Notice of any election for dissolution, whether called*
38 *because of the filing of a petition or ordered by the board without*
39 *petition, shall be published. The date fixed for the election shall not*

be less than 30 days from the date of the first publication of the notice.

105125. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and, in addition, the following:

<i>Shall the Sonoma–Marin Area Rail Transit District be dissolved?</i>	YES	
	NO	

105126. The board shall canvass the vote. If a majority of the votes favor dissolution, the board shall by resolution dissolve the district.

105127. The board shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder of the Counties of Marin and Sonoma and any other county in which territory of the district is situated.

105128. Upon dissolution, the right, title, and interest to any property owned or controlled by the district which was acquired by the district from the Golden Gate Bridge, Highway and Transportation District shall be returned to the Golden Gate Bridge, Highway and Transportation District or disposed of as designated by the Golden Gate Bridge, Highway and Transportation District. The right, title, and interest to any remaining property vests in the county in which it is situated.

105129. The board shall wind up the affairs of the district.